

# Agenda

## Item #8



STATE OF MAINE  
COMMISSION ON GOVERNMENTAL ETHICS  
AND ELECTION PRACTICES  
135 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0135

**To:** Commission Members

**From:** Vincent W. Dinan, Staff Auditor

**Date:** November 29, 2007

**Subject:** December, 2007 Candidate Audit Report Submittals

Materials submitted with the December, 2007 Commission packet include the four candidate audit reports listed below.

Candidate Name	District	Disposition
Paul Hatch	SD 26	See Commission Agenda
Sen. Earle McCormick	SD 21	See Commission Agenda
F. Robert Bauer	HD 37	See Commission Agenda
Pamela Hatch	HD 85	See Commission Agenda



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COMMISSION ON GOVERNMENTAL ETHICS  
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135 STATE HOUSE STATION  
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04333-0135

November 9, 2007

**Audit Report No. 2006-SEN015**

**Candidate: Senator Earle L. McCormick  
Senate District 21**

**Background**

Senator Earle L. McCormick was elected to the Maine State Senate, District 21, in the 2006 general election. The Commission on Governmental Ethics and Election Practices (Commission) certified Sen. McCormick as a Maine Clean Election Act (MCEA) candidate on April 21, 2006. MCEA candidates are required under the Act to submit reports of their receipts, expenditures, outstanding campaign debt, and equipment purchases and dispositions for specified periods during the election cycle.

**Audit Scope**

Examination of selected candidate contribution and expenditure transactions occurring during the following campaign reporting periods:

- Seed Money
- Six Day Pre-Primary
- 42 Day Post-Primary
- Six Day Pre-General
- 42 Day Post-General

Transactions subject to review were those recorded in the candidate's accounting records and reported to the Commission. The audit's purpose was to determine if the identified receipts and payments (1) were properly approved by the candidate or his authorized representative; (2) were adequately documented as evidenced by original vendor invoices and cancelled checks or other acceptable disbursement documentation; and (3) complied in all material respects with the requirements of the Maine Clean Election Act and the Commission's rules.

**Audit Findings and Recommendations**

**Finding No. 1 – Incomplete documentation of campaign expenditures:** The McCormick campaign reported two payments to the U. S. Postal Service that were partially undocumented. The amounts of the payments were \$2,989.32 (10/19/2006) and \$5,850.00 (11/2/2006), respectively. The candidate was able to provide cancelled checks that substantiated the purchases, but was unable to provide invoices or receipts that documented the items purchased. Sen. McCormick indicated that he had forwarded the postage payments to printing services firms that were making campaign mailings on his behalf, and

he did provide copies of the printers' invoices. According to Sen. McCormick, the printers did not have the postal receipts on file.

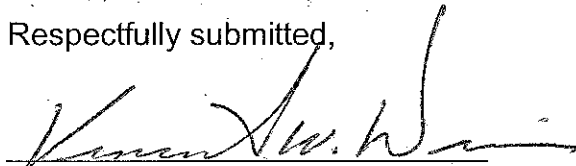
*Criterion:* 21-A M.R.S.A. §1125(12-A)(B), "The treasurer shall obtain and keep ...[a] vendor invoice stating the particular goods or services purchased for every expenditure of \$50 or more...."

*Recommendations:* the Commission staff recommends that the Commission find the candidate in technical violation of 21-A M.R.S.A. § 1125 (12-A) (B). Although the postal receipts were not available, we found the cancelled checks and vendor invoices from the printers to be convincing proof of the disbursements, and, in addition, we found the candidate's other campaign financial records to be well maintained. Therefore, we recommend that the Commission take no further action and not assess any penalty for the violation.

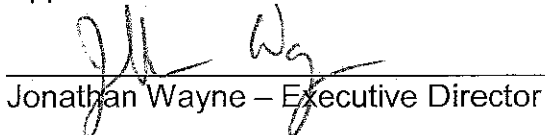
Candidate's Comments:

Senator McCormick did not comment on the audit findings.

Respectfully submitted,

  
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Vincent W. Dinan - Staff Auditor

Approved:

  
\_\_\_\_\_  
Jonathan Wayne - Executive Director



STATE OF MAINE  
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November 19, 2007

**Audit Report No. 2006-HR047**

**Candidate: F. Robert Bauer  
House District 37**

**Background**

F. Robert Bauer was an unenrolled candidate for the Maine House of Representatives, District 37, in the 2006 general election. The Commission on Governmental Ethics and Campaign Practices (Commission) certified Mr. Bauer as a Maine Clean Election Act (MCEA) candidate on June 14, 2006. MCEA candidates are required under the Act to submit reports of their receipts, expenditures, outstanding campaign debt, and equipment purchases and dispositions for specified periods during the election cycle.

**Audit Scope**

Examination of selected candidate contribution and expenditure transactions occurring during the following campaign reporting periods:

- Seed Money
- 42 Day Post-Primary
- Six Day Pre-General
- 42 Day Post-General

Transactions subject to review were those recorded in the candidate's accounting records and reported to the Commission. The audit's purpose was to determine if the identified receipts and payments (1) were properly approved by the candidate or his authorized representative; (2) were adequately documented as evidenced by original vendor invoices and cancelled checks or other acceptable disbursement documentation; and (3) complied in all material respects with the requirements of the Maine Clean Election Act and the Commission's rules.

**Audit Findings and Recommendations**

Finding No. 1 – Unreported Seed Money Contributions and Expenditures: Mr. Bauer spent \$72.00 in personal funds on postage during the qualifying period, but he neglected to report either the contribution or the expenditure. Mr. Bauer informed the auditor that he did not receive or expend any other seed money funds.

*Criteria:* 21-A M.R.S.A §1122 (9), "A seed money contribution must be reported according to procedures developed by the commission." 21-A M.R.S.A. §1125 (12), "participating and

certified candidates shall report any money collected [and] all campaign expenditures ... according to procedures developed by the commission."

*Recommendations:* The Commission staff determined that the unreported contributions and expenditures did not impact the distribution of MCEA funds in any way. Accordingly, given the minor nature of the infraction, the staff recommends that the Commission find the candidate in violation of 21-A M.R.S.A. § 1122 (9) and 21-A M.R.S.A. § 1125 (12), and not assess a penalty. The staff also asks the Commission to direct the client to amend his seed money report to reflect both the contribution and the expenditure.

Finding No. 2 – Incomplete Expenditure Documentation: The Bauer campaign made a \$178.15 expenditure at EBS Building Supply for sign materials. A cancelled check was on file, but no vendor invoice was available for review. In the absence of purchase documentation, the auditor was unable to verify the campaign purpose of the expenditure.

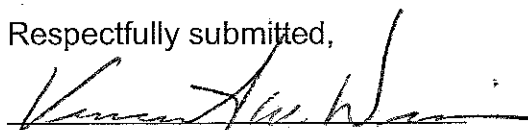
*Criterion:* 21-A M.R.S.A. §1125(12-A)(B), "The treasurer shall obtain and keep...[a] vendor invoice stating the particular goods or services purchased for every expenditure of \$50 or more...."

*Recommendations:* The Commission staff recommends that the Commission find the candidate in technical violation of 21-A M.R.S.A. § 1125 (12-A) (B); since the auditor found Mr. Bauer's campaign records to be generally well maintained, the staff further recommends that no penalty be assessed.

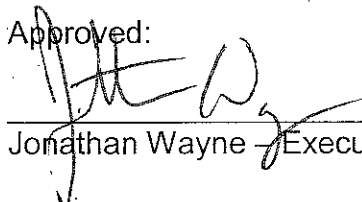
Candidate's Comments

Mr. Bauer did not comment on the audit findings and recommendations.

Respectfully submitted,

  
Vincent W. Dinan - Staff Auditor

Approved:

  
Jonathan Wayne - Executive Director